Parental pension in Slovakia

Ministry of Labour, Social Affairs and Family of the Slovak Republic
Pension system in Slovakia – contextual overview

• Three pillar system

• Universal pension system:
  – I. pillar - PAYG, mandatory, point system – earnings related, public
  – II. Pillar - old-age pension saving system - fully-funded, private, mandatory

• Supplementary old-age pension (voluntary fully funded III. pillar, private)

• 1st January 2023 – Parental pension (financed from the mandatory I. pillar)
Parental pension in overview I.

- Since January 1\textsuperscript{st} 2023 also in the Constitution of the Slovak republic

- Guarantee for every insured person to decide on part of paid tax or part of paid payment to be provided to the person who raised them

- Enforcement of this right must not have a negative impact on adequate material security in old age
Parental pension in overview II.

- Aimed at the beneficiaries of:
  - Old age pension
  - Disability pension
  - Service pension

- Addition to their pension if their child/children have paid contributions on pension insurance (2021 onwards)

- The child can make a declaration of no entitlement

- First received before 30th September 2023
How does parental pension work

• A condition of raising a child has to be met

• Parental pension is calculated as 1.5% of one-twelfth of the total child's assessment base

• For 2023 maximum of 216,60 EUR

• Maximum contribution of 3% to parental pension (divided between two people)
• Approx. 926 thous. of parental pensions granted in total

• In total approx. 290 mill. EUR distributed as payment in parental pension

• Average amount for the parental pension 26,10 EUR per month per person
Future plans

• Announced change for parental pension (after elections)

• Contribution to parent’s pension shifted to 2% of personal income tax

• Implementation expected in 2024
Thank you for your attention

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